



## Recommendation for Action

**File #:** 21-2932, **Agenda Item #:** 70.

9/2/2021

### Posting Language

Authorize a fee-in-lieu of on-site affordable housing for a proposed commercial development located at or near 1603 East 7<sup>th</sup> Street, Austin, Texas 78702, that is subject to the Plaza Saltillo Transit Oriented Development (TOD) Regulating Plan.

### Lead Department

Housing and Planning Department.

### Fiscal Note

This item has no fiscal impact.

### For More Information:

Rosie Truelove, Director, Housing and Planning Department (512) 974-3064; Gina Copic, Real Estate Development Manager, Housing and Planning (512) 974-3180.

### Additional Backup Information:

If approved, this action will authorize the director of the Housing and Planning Department (HPD) to accept a fee-in-lieu of on-site affordable housing for the proposed commercial development located at or near 1603 East 7th Street, Austin TX 78702. The property and development are subject to the Plaza Saltillo Transit Oriented Development Regulating Plan (Regulating Plan).

Under this Regulating Plan, a fee-in-lieu is appropriate if a development demonstrates a compelling reason not to provide affordable housing on-site. The Regulating Plan requires Council approval before HPD can accept a fee-in-lieu payment.

The proposed development is located in City Council District 3. The proposed development consists of a 20,944-square-foot commercial building that will be used as a hotel.

The proposed development seeks a density bonus in the form of waivers of Site Development Standards and Building Height Allowance. Specifically, the developer seeks a Floor-to-Area (FAR) of 3.27:1 (approximately 12,816 bonus square feet). To receive the height and FAR bonus, the Regulating Plan requires on-site affordable housing or, if approved by Council, a fee-in-lieu payment estimated at \$153,792 (12,816 additional sq. ft. \* \$12/sq. ft.). The City Code sets the current fee at \$12.

Because the proposed development will not include residential uses, HPD recommends Council find that the developer demonstrated a compelling reason to pay a fee-in-lieu of on-site affordable housing.

### Strategic Outcome(s):

Economic Opportunity and Affordability.